Ouray Information Response

Thursday, July 16, 2009 9:17:14 AM

From: tgfaye@comcast.net

To: Sisk.Richard@epamail.epa.gov; Rudy.Mike@epamail.epa.gov

1123708 - R8 SDMS

Cc: ems@frii.com; tgfaye@comcast.net Attachments: Ouray 104 (e) Response.docx (21.5KB)

Richard and Mike--

Attached is the response of Blue Tee Corp. to your 104 Information Request. Thank you so much for your patience in waiting for this response. It has been very trying for me personally in working with my family to resolve issues with my mother. Yesterday I was at the hospital all day and could not get to a notary to complete Enclosure 2 to this response. However, I believe that everything is complete at this point.

I am mailing by overnight mail, the documents and a hard copy of the response. Each of you will receive a separate packet of information.

If you have any questions or concerns regarding the response, please do not hesitate to contact me despite my situation here in California. I will get back to you as soon as I can.

Thanks, Terri

Babst Calland Clements & Zomnir, P.C.

1 North Maple Avenue Greensburg, PA 15601 Phone: 724-837-6221

Fax: 724-837-0221

E-mail: tgfaye@comcast.net

July 15, 2009

Mr. Mike Rudy, Civil Investigator
U.S. Environmental Protection Agency, Region 8
Mail Code: 8ENF-RC
1595 Wynkoop Street
Denver, Colorado 80202-1129

Via Overnight Mail and E-mail Transmittal

Re: Response to Request For Information Pursuant to Section 104 of CERCLA For the American Zinc, Lead & Smelting Company Mill Site (SSID #08-PQ)

Ouray County, CO

Dear Mr. Rudy:

On behalf of Blue Tee Corp. (hereinafter Blue Tee or the Respondent) this letter and document production is sent to you and Mr. Richard Sisk, Esq. to respond to the June 8, 2009 Request for Information Pursuant to Section 104 of CERCLA (hereinafter the Information Request and the Response). The Information Request was received by the Respondent on June 11, 2009. Based upon extensions of time granted by you and Mr. Richard Sisk, Esq., Blue Tee herein timely responds to the Request.

General Response:

By way of general response, Blue Tee provides this general information concerning the Ouray Site. This information is provided by Special Counsel, Terrance Gileo Faye, based upon a review of documents reasonably believed to contain accurate historic information about American Zinc Lead & Smelting Company (American Zinc). It is clear from the information obtained that American Zinc had involvement with the Ouray Site, but that involvement was extremely limited.

Within American Zinc documents, the first mention of the Ouray Mine and Mill Site was in the December 31, 1946 Annual Report. In that report, mention was made of the fact that part of the milling equipment from a Tri-State District property, was shipped to Ouray, Colorado. While mention is made of the acquisition of promising mining claims and a milling operation in the Ouray District, the date of acquisition is not given. Additionally, the Executive Committee Meeting Minutes mention the purchase of a concentrating plant from the General Ore Reduction Company in the district for the total sum of

\$40,000. American Zinc's expansion and improvement of the mill site was in progress in the last half of 1946 and completion was expected during the second quarter of 1947.

However, American Zinc's mining activity in Colorado consisted largely of exploratory development. In Ouray, it was anticipated that American Zinc would complete construction of a custom mill, which would have the capacity of 200 tons per day. It was originally believed that the mill would "take care of the company mine production and such tonnage of custom ore as is available from the surrounding properties." However, the results of the development work did not meet expectations. In fact, the operating results of 1946 showed a loss of \$70,882.99.

In 1948, it was reported that "the mill was not operated at capacity" and that the "development results in this territory to date have been disappointing."

In 1949, the trend continued and it was reported that "Search for ores in the Ouray, Colorado, [sic] district failed to disclose any substantial tonnage of commercial ore. We are continuing to operate a custom mill. Our development program has been materially reduced."

In the 1950 Executive Committee Meeting Minutes, it was reported by the president that "there is a possibility that a sale could be arranged for the custom mill at Ouray, Colorado, at an estimated price of approximately \$300,000. A motion to authorize such a sale was passed. However, such sale did not occur.

Thereafter, by letter dated September 27, 1952, the president wrote to members of the Executive Committee recommending a program for the liquidation of the Ouray, Colorado operations. The program included the cancellation of all custom mill contracts, the cancellation of all mining leases and options, the disposal of all claims owned in fee, and the sale of the concentrating plant in its condition at that time, with the understanding that it would be removed from the property within six months. In 1952, it was reported that "due to prevailing low metal prices and failure to develop new ore reserves in the Ouray, Colorado, [sic] district, we have decided to discontinue all operations in this territory and are disposing of all equipment and properties as fast as possible."

In 1955, it was reported that the mill and mining equipment had been sold pursuant to an Option and Conditional Sales Agreement dated June 1, 1955 with Magic Uranium Company, Inc., covering the sale of the Ouray Mine and Mill Site for a total price of \$75,000, payable in accordance with the terms set forth in the agreement. A copy of that agreement was not located.

Corporate History and Historic Documents

By way of a general response, Blue Tee provides the following corporate history admitting that it is the corporate successor to American Zinc.

In 1966, American Zinc merged with a number of its subsidiaries and the surviving corporation changed its name to the American Zinc Company. In 1972, the American Zinc Company was renamed Azcon Corporation. Azcon Corporation was renamed Gold Fields American Industries, Inc. in 1983. In 1986, Blue Tee Acquisition Corp. merged with and into Gold Fields American Industries, Inc. and changed its name to Blue Tee Corp. In 1995, Blue Tee Corp., a Maine corporation, merged with and into Blue Tee Corp., a Delaware corporation.

To the best of Blue Tee's knowledge and belief, it has never had care, custody, or control of any document containing information sought by the Information Request. Prior to 1996, archived and historic

documents belonging to predecessors of Blue Tee were housed in Golden, CO. In approximately 1996, the documents were moved to Pittsburgh, PA where they were housed over a period of five to six years in approximately three different locations. In 2002, the documents were moved to 1 North Maple Avenue, Greensburg, PA 15601. Since that time, Special Counsel, Terrance Gileo Faye, has been the custodian of the records.

During the course of the various moves of these documents, numerous boxes of documents were lost or misplaced. Among those lost or misplaced boxes may have been a limited number of documents concerning the Ouray Mine and Mil Site.

In responding to this Information Request, Special Counsel, Terrance Gileo Faye, searched for and reviewed archived, historic documents for Respondent and predecessor companies. Special Counsel also reviewed pension records of former employees of Respondent and predecessor companies. Respondent and its predecessor companies have no current mining/milling operations, and there were no pension records for Ouray employees. Respondent's current business and business records do not pertain to mining or milling activities, or the time period in question, and therefore, current employee records were not reviewed and current employees were not interviewed.

Specific Questions:

For your convenience in reviewing this Response, the text of each specific information request has been placed above the response. For reference purposes, in this Response, Blue Tee utilizes those definitions of certain words and terms set forth in the Information Request at pages 6-8.

1. For each and every Question contained herein, identify documents consulted, examined, or referred to in the preparation of the answer or that contain information responsive to the Question and provide accurate copies of all such documents. If information or documents responsive to this Information Request are not in your possession, custody or control, then identify the persons from whom such information or documents may be obtained.

Please refer to the General Response. Special Counsel, Terrance Gileo Faye, is in possession of all archived records for the former American Zinc companies. After a review of the archived records, the only documents located relevant to this site were copies of the Annual Reports and Executive Committee Meeting Minutes. Copies of the relevant Annual Reports and Executive Committee Meeting Minutes are included with this Response.

2. Describe all property interests that Respondent or any predecessor (to include AZL&S Co.) has held at the Site and provide any maps which identify the property interests held. Identify the person from whom you acquired each interest and provide the date the property interest was acquired. Provide copies of all deeds, leases, or other conveying instruments that contain the above information. If the property interest is no longer held, identify to whom it was transferred and furnish copies of documents detailing the transfer.

Please see General Response. Copies of the relevant Annual Reports and the Executive Committee Meeting Minutes are included with this Response. No maps, deeds, leases or conveying instruments were located.

3. Describe all operations that Respondent or any predecessor (to include AZL&S Co.) conducted at the Site. Describe where the facilities related to each operation were located, the dates that each facility operated, and the function performed or products produced by each facility. Also, describe any improvements and/or modifications made to facilities at the Site.

Please see General Response. Copies of the relevant Annual Reports and the Executive Committee Meeting Minutes are included with this Response.

4. Identify and provide all documents that refer or relate to any company, partnership, or other business entity, wholly owned or otherwise controlled (including AZL&S Co.) by Respondent which owned property interests at the Site at a time when mining operations were conducted on said property.

Please see General Response. Copies of the relevant Annual Reports and the Executive Committee Meeting minutes are included with this Response.

5. Identify and provide all documents that refer or relate to potential environmental liability acquired or assumed by Respondent from AZL&S Co.

By operation of law, Blue Tee Corp. herein admits that it is the successor by merger to American Zinc, as previously defined, American Zinc Company of Oklahoma, AZCON Corporation, A-Z Holding Corporation, and Blue Tee Acquisition Corporation. A corporate chart bearing historic corporate information has been provided. Information on the chart regarding the Gold Fields companies should be disregarded as the information is irrelevant to the Ouray Mine & Mill Site.

6. Identify and provide all documents that refer or relate to settlements Respondent entered, or judgments entered against Respondent, resolving or determining Respondent's alleged environmental liability acquired or assumed from AZL&S Co.

No such documents were located.

7. Identify and provide all documents that refer or relate to any past company, partnership, or other business entity, which is presently wholly owned or otherwise controlled by Respondent which engaged in mining operations at the Site.

No such documents were located other than the corporate chart referenced in Question 5.

8. Identify and provide all corporate and successorship history from AZL&S Co. to Blue Tee. Include all business related mergers, successions, name changes and/or transfers.

A corporate chart bearing historic corporate information has been provided.

9. Identify and provide all documents that refer or relate to Blue Tee's assumption of its predecessor's liabilities, including but not limited to Blue Tee's environmental liabilities or indemnifications.

No such documents were located.

10. Provide all insurance policies and endorsements concerning Respondent and/or AZL&S Co.

Respondent objects to this Information Request to the extent that it seeks information that is subject to and protected by any applicable privilege. Additionally, these documents have not been provided at this time as the issue is moot. While Blue Tee may have had some alleged environmental insurance coverage for Ouray at one time, that coverage has almost all been exhausted and any liability thereunder settled pursuant to a series of confidential settlements entered into between Respondent and its

insurance companies in the late 1990s. Any limited insurance coverage which may still be in existence is the subject of continued litigation in New York City and coverage is being vigorously contested.

Conclusion

Thank you for providing Blue Tee with the opportunity to respond to the Information Request. If additional information or documents responsive to this Request become known or available to Respondent after this submission, Respondent will supplement this Response within thirty (30) days of discovering such responsive information. If after submitting this response, Respondent discovers or believes that any portion of this submission is false or misrepresents the truth, Respondent will notify you of this fact as soon as possible and provide you with a corrected Response.

If you have any questions concerning this Response, please do not hesitate to contact me at the address and/or phone number listed above or at the above-referenced e-mail address.

Sincerely,

Levrance Gileo Faye

Special Counsel to Blue Tee Corp.

TGF/ega

Cc: R. Sisk, Esq. EPA

G. Uphoff, EMS

ENCLOSURE 2

NOTARIZED CERTIFICATE

(E, having been duly sworn and being of legal age, hereby state:

- 1. I am the person authorized by BLUE TEE CORA, respond to the Environmental Protection Agency's (EPA's) First Information Request concerning the American Lead and Zinc Mills Site, located in Ouray, County, Colorado.
- 2. I have made a complete and thorough review of all documents, information, and sources relevant to the Request.
- 3. I hereby certify that the attached response to EPA's request is complete and contains all information and documents responsive to the Request.

TERRANCE GILED FAYE SPECIAL COUNSEL (Print Name) (Title)

(Seal)

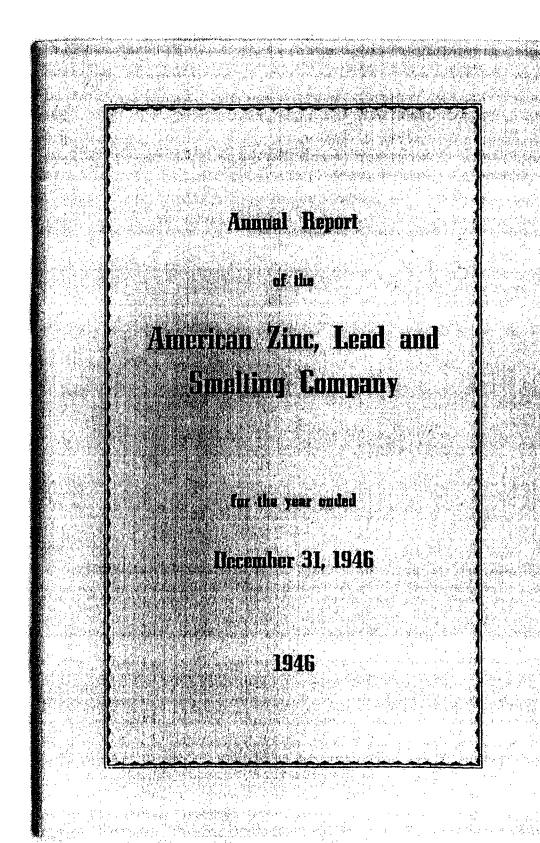
SEE ATTACHED NOTARIAL CERTIFICATE

Notary:

My Commission Expires on:

My Address is: 6083 MFIGARDEN DR FRESNO, CA 93922

	ty of <u>Fresno</u> cribed and sworn to (or affirmed) before m	and this 15th
day o		
·	TEREPACE GILED FAYE	
	d to me on the basis of satisfactory eviden (s) who appeared before me.	ce to be the
	JEFFREY R. KREBS Commission # 1827519 Notary Public - California Fresno County My Comm. Expires Dec 19, 2012	
(Seal)	Signature	Klah
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Surface and underground prospecting has coincided with our production schedules.

Following is a tabulation of the development footage:

Operating Properties:	Surface Drilling	Underground Drilling	Drifting, Raising, and Slabbing
Knox County	7,178 feet	7,376 feet	3.436 feet
Jefferson County	29,767 feet	3,031 feet	1,607 feet
Other Owned or Optioned Properties:			•
Knox County	1,055 feet		
Jefferson County	11,494 feet		
Hamblen County	300 feet		
Total	49,794 feet	10,407 feet	5,043 feet

Surface drilling results were very satisfactory, both on operating properties and properties under option.

We have purchased mineral rights on additional Jefferson County properties during the year. Active development work to bring these properties into production will not be started until the manpower situation has shown further improvement.

Ore reserves on our company-owned properties in Knox and Jefferson Counties were reduced by approximately 8,023 tons of concentrates. Ore reserves on the Grasselli property were increased 16,656 tons of concentrates. The net gain in our Tennessee ore reserves was 8,633 tons of concentrates. The total reserves at the end of the year were the highest we have recorded at any time.

All commercial ore remaining at the Shallow Ore Mine was extracted during the early part of the year and this property was closed.

Tennessee Quarry Operations

Harriman Quarry

Final payment covering the sale of this property was received during the year.

Holston Quarry (Strawberry Plains)

Equipping this property was completed and production started in July, 1946. The operating results have been very satisfactory and the plant is now operating at capacity.

TRI-STATE DISTRICT

Mining operations were continuous during the year at our Evans-Wallower No. 7 property at a satisfactory margin of profit. The Hunter and adjoining properties located at Aurora, Missouri, were "worked out" during the third quarter and part of the milling equipment from this property was shipped to our Ouray, Colorado, operations.

The net profit from mining operations, land rentals, royalties, and miscellaneous income for the year was \$215,867.72, which is a reduction of \$7,955 below 1945.

During the year we shipped to our smelters a total of 88,973 tons of zinc and lead concentrates from this district.

We continued geophysical investigations and churn drilling throughout the year without finding any new ore bodies.

WASHINGTON OPERATIONS

Grandview Mine

The Grandview property was down because of a C.I.O. strike for approximately two months. The tonnage mined and milled was 88,617 tons, from which was produced 8,197 tons of zinc and lead concentrates. This property was operated at a profit of \$135,638.70.

We were short of manpower throughout the greater part of the year, but at the close of the year the manpower outlook is much improved.

Metaline Mining & Leasing Company

We received \$17,400 during the year from this company representing the balance due on the \$250,000 compromise settlement of indebtedness, which was reported to you last year.

COLORADO OPERATIONS

We have acquired several promising mining claims and a milling operation in the Ouray District. Expansion and improvement in mill were in progress during the last half of the year and will be completed and placed in operation during the second quarter of 1947.

Underground development made satisfactory progress but the tonnage of ore actually mined and milled was very small. The operating results of this property for the year show a loss of \$70,882.99.

When completed the mill will have a capacity of approximately 200 tons daily which will be adequate to take care of the company mine production and such tonnage of custom ore as is available from the surrounding properties.

MANUFACTURING OPERATIONS

Slab Zinc

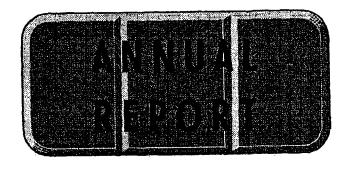
Our shipments of slab zinc were reduced by 11,915 tons or 11.68 per cent below 1945.

Zinc Oxide

Our shipments of zinc oxide were increased by 1,938 tons or 6.52 per cent above shipments in 1945. All units were operated at maximum capacity except during the period of the shutdown as a result of the strike.

Sulphuric Acid

Our shipments of sulphuric acid were increased by 12,463 tons



of N ZINC

AMERICAN ZINC, LEAD AND SMELTING COMPANY



OPERATIONS

Mining

Our lead-free zinc mines, located in eastern Tennessee, were operated at normal capacity throughout the year. Search for new ore deposits for the purpose of expanding our reserves was carried on extensively throughout 1947. We are pleased to report that the proven and reasonably indicated ore reserves, at the end of 1947, are the highest we have had at any time during the history of our thirty-three years of operation. Chart on page 9 will give you a comprehensive picture of the results of development and the grade of our reserves from the end of 1937 to the end of 1947.

In November, 1947, we purchased from the E. I. du Pont de Nemours & Company, Incorporated, their interest and acreage in the Grasselli Mine, at New Market, Tennessee, which we have heretofore operated under contract since the latter part of 1937. Extensive deep deposits of ore have been proven on this property and a major development program for the extraction of these ores is now under way.

Mining activity in Colorado consisted largely of exploratory development and the completion of construction of our custom mill, which has a capacity of 200 tons daily. The results of the development work, thus far, have not come up to our expectations. All expenditures on mining, development, and mill operations have been charged to current operations.

Mining operations at the Metaline Falls, Washington, district were on a normal basis throughout the year. The physical condition of the Grandview property, as well as the ore reserves at this mine, are on a satisfactory basis.

Our mining in Oklahoma was virtually discontinued upon termination of the Premium Price Plan. Production from our mineral lands in the Joplin, Missouri, district, leased to others, was also substantially reduced after June 30, 1947.

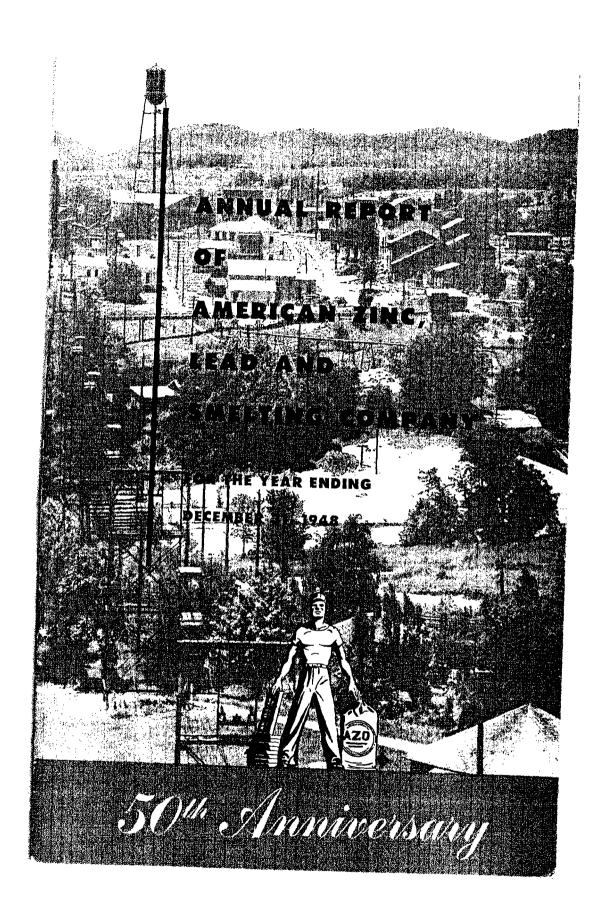
EXPENDITURES FOR PROPERTY AND IMPROVEMENTS

The investment in properties, less reserve provided for depreciation and depletion, on December 31, 1947, and December 31, 1946, was as follows:

	December 31, 1947	December 31, 1946	Increase or (Decrease)
Plant Sites	\$ 221,008	\$ 204,057	\$ 16,951
Plant Machinery, Equipment, and			
Mine Development	. 3,665,899	3,213,603	452,296
Mineral and Agricultural Lands	619,090	324,299	294,791
Idle Properties	. 34,477	34,973	(496)
Coal Deposits	. 108,807	108,807	
Total	\$4,649,281	\$3,885,739	\$763,542
The increase of \$763,542 is made up of the f	ollowing:		
Expenditures for new property and plant:	improvement	ts.	\$1,175,413
Expenditures for replacement of worn-out	-		55,856
			\$1,231,269
Deduct:			
Sundry sales		\$ 18,615	
Provision for depreciation and depletion	1 <i></i>	449,112	467,727

Disbursements for new property consist principally of the purchase of a mine and mineral lands in Tennessee; construction of facilities at Hillsboro, Illinois, to produce slab zinc from scrap metal; completion of a custom mill and purchase of mining facilities in the Ouray, Colorado, mining district; installation of facilities to produce zinc carbonate, and purchase of additional plant site at the Fairmont City, Illinois, zinc smelter; installation of additional dryer and leach residue handling equipment at the Monsanto, Illinois, electrolytic zinc plant; installation of residue handling equipment, and settlement of law suit involving purchase of the remaining half interest in the Dumas, Texas, zinc smelter.

763,542



OPERATIONS - Mining

Our mining properties located in eastern Tennessee were operated on a five day week basis until November 13, at which time operations were placed on a six day week basis. The operations were continuous throughout the year.

Search for new ore deposits for the purpose of expanding our reserves was on a normal basis during the first nine months but was curtailed during the last quarter of 1948. We are pleased to report that the proven and reasonably indicated ore reserves at the end of 1948 are the highest we have had at any time during the history of our thirty-four years operation in this territory. Chart on page 9 will give you a comprehensive picture of the results of development and the grade of ore reserves from the end of 1937 to the end of 1948.

During the last half of the year we made an important change in our milling practice, changing the Heavy-Media Separation Process unit from the use of lead media to the use of ferrosilicon. This change-over will effect a substantial reduction in operating costs and will improve over-all recovery.

Development of deep ore at the Grasselli Mine, mentioned in our report to you last year, has been materially retarded because of the heavy flow of water that was encountered. This condition will probably postpone bringing in the deep ore at least one year and will add substantially to development costs at this property.

Mining activity in Colorado consisted principally of exploration development. The custom mill was operated, treating all custom ores and ores produced from company mines that were available. The mill was not operated at capacity. Our development results in this territory to date have been disappointing.

Mining operations in the Metaline Falls, Washington, district were on a very satisfactory basis during the first half of the year. This property was closed during the last half of the year because of a strike. The physical condition of the property and the ore reserve position continue to be satisfactory.

The mill on our No. 7 property, located at Cardin, Oklahoma, was destroyed by fire July 30. The loss was covered by insurance. Because of the low grade of our remaining ore reserves and the high cost of replacing the surface equipment destroyed by fire, we sold the mine and lease to The Eagle-Picher Mining & Smelting Company. That company is in position to mine these ores and take them to its mill already in operation.

ANNUAL REPORT 1949

AMERICAN ZINC, LEAD AND SMELTING COMPANY



Our mining properties located in eastern Tennessee operated without interruption throughout the entire year.

Search for new ore deposits for the purpose of expanding our reserves was materially curtailed. This action became necessary because of reduced earnings, as a result of the costly strike at other plants, as well as the drastic drop in the price of zinc. We are pleased to report that the proven and reasonably indicated reserves at the end of 1949 were slightly above

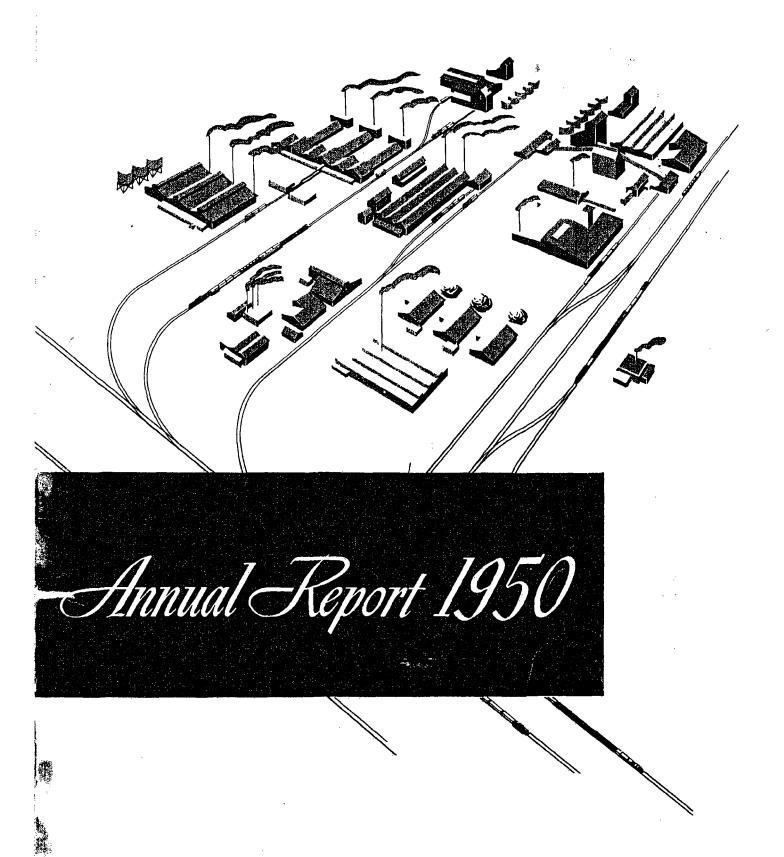
our reserves at the end of 1948 and are the highest we have had at any time in our 35 years of operating in this territory. On pages 8 and 9 are charts which give a comprehensive picture of the results of development and the grade of ore reserves from the end of 1937 to the end of 1949. There was a slight improvement in both grade and tonnage during the year.

The water difficulties at our Grasselli Mine, reported to you last year, have been overcome and development of the deeper ore bodies at this property is now going forward on a normal basis.

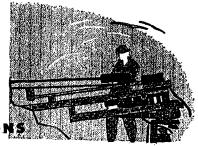
Search for ores in the Ouray, Colorado, district failed to disclose any substantial tonnage of commercial ore. We are continuing to operate a custom mill. Our development program has been materially reduced.

The Grandview Mine, at Metaline Falls, Washington, was idle nine months of the year as a result of the strike. Operations now are normal.

	Co	mparati	ve State	ment Sh	owing
Manufactured Products	1937	1938	1939	1940	1941
Slab Zinc (All Grades)	72,007	36,575	54,716	81,192	112,656
Zinc Oxide (All Grades)	24,181	20,158	25,132	27,088	35,320
Metallic Cadmium	164	266	214	240	223
Zinc Carbonate		**********	***********	**********	********
Sulphuric Acid (All Grades)	100,076	86,406	87,875	100,234	120,457
TOTAL	196,428	143,405	167,937	208,754	268,656
			行為特殊		
Other Products	190 514	110 000	46 204	022 100	165 000
Crushed Stone (Quarried)	128,514	118,882	46,394	233,108	165,992
Crushed Stone (Mine By-Products)	552,627	522,520	686,932	1,089,543	1,710,725
Concentrates and Calcines	12,610	10,719	4,531	10,765	41,937
TOTAL	693,751	652,121	737,857	1,333,416	1,918,654
GRAND TOTAL	890,179	795,526	905,794	1,542,170	2,187,310



AMERICAN ZINC, LEAD AND SMELTING COMPANY



MINING OPERATION

Mining properties in eastern Tennessee and Metaline Falls, Washington, operated continuously throughout the year.

Search for new ore deposits for the purpose of expanding ore reserves was conducted at an accelerated rate. The proven and reasonably indicated zinc ore reserves in Tennessee at the end of 1950 were the highest we have enjoyed at any time since starting operations there thirty-six years ago. On pages 8 and 9 are charts showing the results of development and the grade of ore indicated from the end of 1937 through 1950.

Present proven and probable ore reserves in Tennessee assure a minimum of fifteen years production at the average rate of extraction during the past five years. Since 1914 these properties have produced approximately 1,100,000 tons of zinc concentrates.

The incline driven to develop deep ore bodies at the Grasselli Mine in Tennessee has been completed. The development necessary to bring this ore into production is well under way and will be completed during the last half of 1951.

Activity in the Ouray, Colorado, district has failed to disclose any substantial tonnages of commercial ore. However, we have continued to operate the custom mill. Development activities will again be resumed during the second quarter of 1951.

The Grandview Mine at Metaline Falls, Washington, was operated at capacity. We made no new important ore discoveries. Development has been confined primarily to the opening of the deeper ore bodies which we will start to mine in the near future.

Exploration activities on outside properties now under lease and option in Tennessee, Washington, Virginia, Kentucky, Missouri, and British Columbia were carried on during the last half of the year without important discoveries except in Tennessee and Washington where our development prospects are very promising.

STONE QUARRIES AND BY-PRODUCTS

There was a good market for by-products in the territory served from our Tennessee operations.

In order to reduce the large accumulation of coarse mine stone at Mascot, the operation of our Strawberry Plains Quarry was discontinued for the first nine months of the year. However, with the increased demand for coarse crushed stone it became necessary to resume operations of this plant in October.

We joined with Lambert Brothers in the operation of a roadside quarry, furnishing equipment and working capital sufficient to give us a fifty per cent interest in the operation during the past year.

The Watauga Quarry, in which our company owns a fifty per cent interest, was operated throughout the year at a satisfactory margin of profit.

The graph showing the shipments of crushed stone and quarry products on page 7 covers the period 1940 to 1950, inclusive.

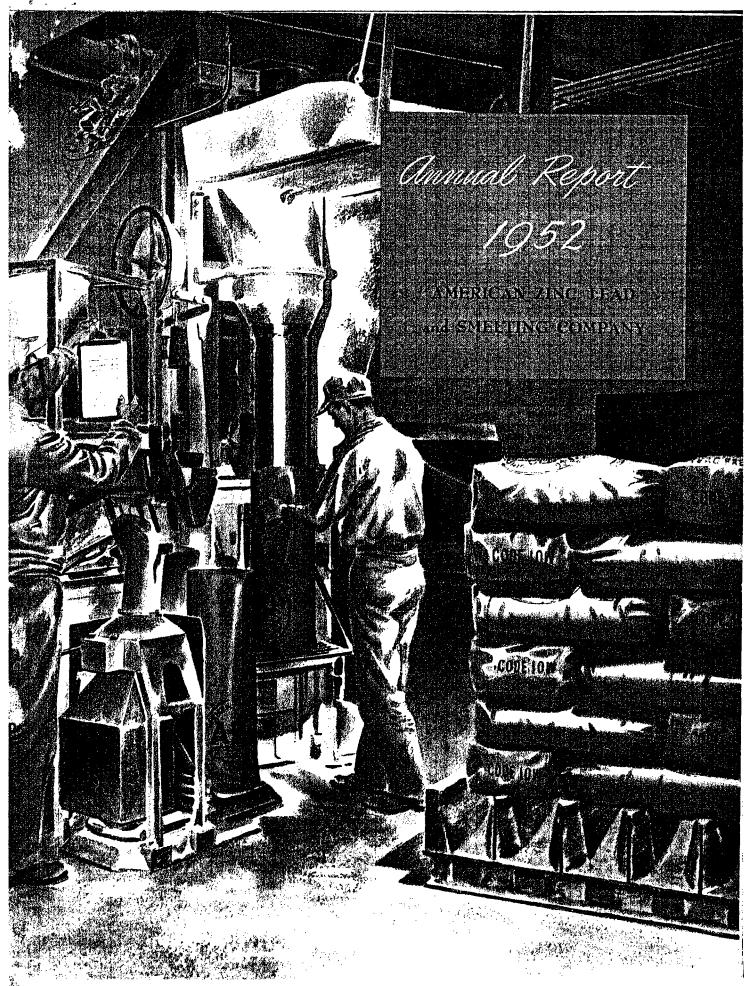
SMELTING

Total tonnage of slab zinc shipped is illustrated in the graph on page 7.

Shipments for the year of 140,466 tons of slab zinc represented the largest tonnage shipped by the Company during any calendar year in its history and was 14 per cent of the total shipments made by the domestic zinc industry during the year.

The Fairmont City, Illinois, plant operated at capacity throughout the year with satisfactory over-all operating and metallurgical results.

The Monsanto, Illinois, electrolytic plant



Tri-State Operations

The Picher, Oklahoma, properties acquired from the Nellie B. Mining Company in 1951 were operated at capacity throughout the year. Our total production for the year was 27,386 tons of combined zinc-lead concentrates.

In our joint venture with Brown and Root, Inc. the development of the Quick Seven opencut operation and construction and installation of mining facilities were completed and the property placed in operation during the latter part of the year. The grade of ore thus far mined is below the average of the reserves. The operating efficiency of both the mine and mill is coming up to our fullest expectations.

Washington State

The Grandview mine and mill at Metaline Falls were operated at capacity. Exploration by diamond drilling on the adjoining companyowned property was conducted throughout the year with satisfactory results. The indicated ore reserves here were substantially increased.

Our Grandview management has been successful in developing underground mechanization to a basis which will aid in making substantial reductions in our mining costs. A new machine, known as the GISMO, has been operating in one section of the mine since the second quarter of 1952 and we are now installing additional equipment so that the entire mine will be mechanized beginning the second quarter of 1953.

Development of the Lead Hill property was completed in the latter part of the year. Operations at this property will be resumed during the second quarter of 1953, provided lead prices are at a satisfactory level.

Other Mining and Development

Exploration by diamond drilling was conducted on properties with lead and zinc potentialities in the Salmo district of British Columbia. We have not as yet found a commercial deposit in this area.

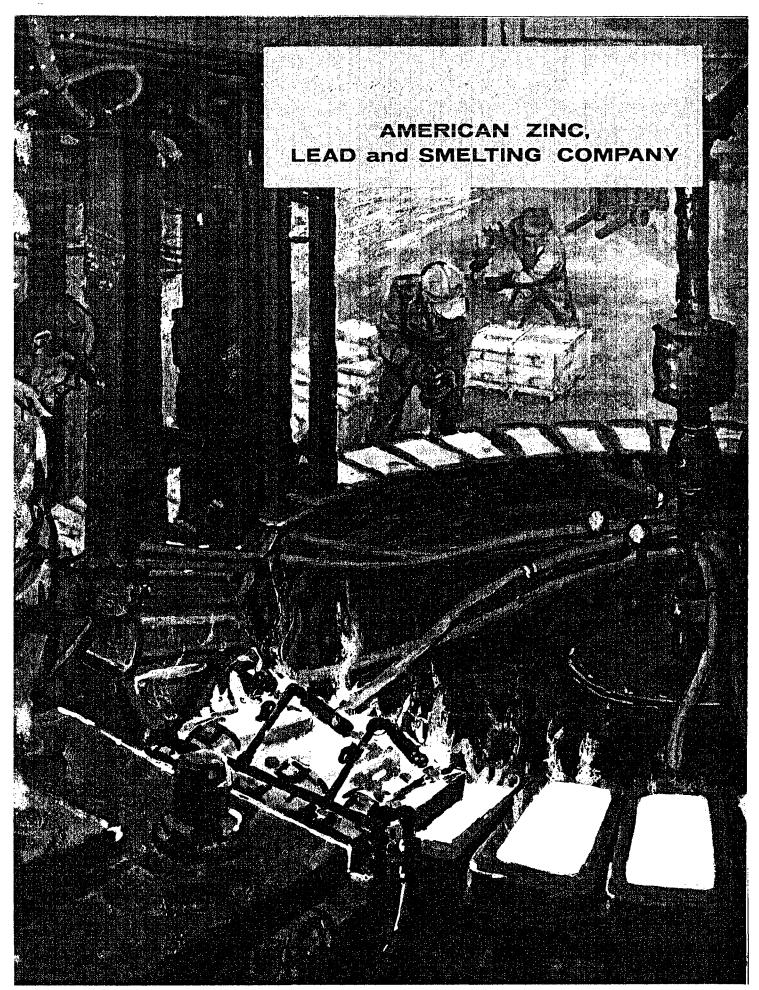
Due to prevailing low metal prices and failure to develop new ore reserves in the Ouray, Colorado, district, we have decided to discontinue all operations in this territory and are disposing of all equipment and properties as fast as possible.

The operations at the Hilltop Mine in Arizona are very encouraging and we expect to have sufficient production from this mine starting the second quarter of 1953 to place it on a profitable operating basis.

Development at the Mount Wheeler tungsten property in Nevada, in which your company has an interest, has made good progress and production will be started by that company by mid-year.

We have acquired mining leases in Wisconsin under a joint venture on which active development is being carried on by churn drilling. The results to date have proven sufficient ore to justify mining operations. It is our plan to have this property in production before the end of 1953. The extent of the ore deposit has not yet been fully determined.

During the past summer we had two field teams of geologists and engineers examining mineral possibilities in Newfoundland where we have favorable concessions from the government. This work will be continued during the summer season of 1953.



Tri-State Operations

At Picher, Oklahoma, the Nellie B. mines were operated at capacity throughout the year and produced a total of 28,222 tons of combined zinc-lead concentrates.

The grade of ore at these properties at the close of the year had dropped to a point where under present zinc and lead prices we could not foresee a continuation of profitable operations. Therefore, we closed all operations the last week in December and reorganized our operating program. The new operating basis became effective January 1, 1956.

Under this program we will reduce the tonnage mined to approximately 25 per cent of the rate of production over the past year. Mining in the future will be selective and we hope to keep the grade at a level so that our production of zinc and lead concentrates will be within 40 to 50 per cent of the production we have averaged over the past three years. The developed reserve tonnage is not large, but based on our many years experience in this area, we feel confident that we can operate successfully on this reduced basis.

Washington State

The Grandview mine and concentrator at Metaline Falls were operated at capacity except for a period of three weeks when operations were suspended as a result of a fire which destroyed our compressor plant and shops.

The major part of our development on the 500 Level has now been completed and operations should show a reasonable profit in 1956 under present metal prices.

Production from All Mining Properties

Our total production of combined zinc and lead concentrates during the year from all company properties was 82,627 tons, which compares with a production of 67,230 tons in 1954 or an increase for the year of 23 per cent. With our recent acquisitions and new mines coming into production in Wisconsin and Tennessee, we expect to have this production up to a rate of 100,000 tons yearly starting the last half of 1956. It shall be our policy to continue to bring in new mines as fast as development will permit until we are supplying our smelting and pigment plants with approximately 40 per cent of our zinc concentrate requirements.

Other Mining and Development

Our development at the Lead Hill Mine and British Columbia properties was at a minimum throughout the year. We did only the necessary assessment work.

We have negotiated with the Placer Development Company to lease to them our Black Rock Claims in British Columbia. These claims comprise approximately 1,700 acres and adjoin the properties presently being operated by the Placer Development Company.

We have sold our Ouray, Colorado, mill and mining equipment and now have only a few mining claims located in the Ouray area.

We have made final purchase payment on the Hilltop Mine in Arizona. All development and operating activities have been temporarily discontinued. Under present metal prices we will either resume operations or lease to others, as these properties can now be mined at a profit since the custom mills in the Deming, New Mexico, area are again operating.

A substantial interest in the Mount Wheeler Mine in Nevada, in which our company has a 22 per cent interest, has been optioned to the

TOTAL PROPERTY OF THE PROPERTY

(Sheet E)

The next order of business was the consideration of Prior Preferred Dividend No. 30.

Upon motion regularly made and seconded, the following resolution was unanimously adopted:

RESOLVED, That there be and hereby is declared from the earned surplus of the Corporation a quarterly cash dividend of \$1.25 per share on the Prior Preferred stock of the Corporation for the calendar quarter ended June 30, 1946, payable August 1, 1946, to stockholders of record at the close of business on July 12, 1946, and the Treasurer is hereby directed and authorized to cause the same to be paid on the date specified.

Mr. Young recommended to the board the acquisition of certain mining claims in the Ouray, Colorado mining district and moving the Hunter concentrating plant to the Ouray, Colorado mining district.

Upon motion regularly made and seconded, the following resolution was unanimously adopted:

RESOLVED, That the proper officers of this corporation are hereby authorized to enter into such agreements that are deemed necessary to acquire or lease certain mining claims in the Ouray, Colorado mining district and contract for the moving of the Hunter concentrating plant to the Ouray, Colorado mining district. There is hereby authorized the sum of \$185,000 to be used in the acquisition or leasing of these claims and for moving and reconstructing the Hunter concentrating plant.

Mr. Young reported to the directors that the indebtedness of the Metaline Mining & Leasing Company to this corporation has now been paid.

Mr. Young reported on the status of the Strawberry Plains quarry operations, labor conditions, and foreign and domestic sales.

There being no further business to come before the meeting, upon motion regularly made and seconded, it was unanimously voted to adjourn.

DECLARED
PRIOR PREFERRED
DIVIDEND NO. 30

ACQUISITION
OF MINING
CLAIMS, OURAY,
COLORADO, AND
MOVING OF
HUNTER CONCENTRATING PLANT

REPORT ON
INDEBTEDNESS
OF METALING
MINING & LEASING
COMPANY

MISCELLANEOUS REPORTS

ADJOURNMENT

Secretary

RESOLVED FURTHER, That the new certificate shall not be issued until the said Carlise Thompson and Mrs. Alice R. Thompson have filed with the corporation proper sworn affidavit supporting the claim of loss and open penalty indemnity bond guaranteeing to hold harmless American Zinc, Lead and Smelting Company, Transfer Agent, and The Commercial National Bank and Trust Company of New York, Registrar.

RESOLVED, That the proper officers of this corporation are hereby authorized to issue and The Commercial National Bank and Trust Company of New York, Registrar, is hereby authorized to register in the name of Charles F. Stoddard, a certificate for twenty shares of the common capital stock of this corporation to take the place of certificate No. HO 31933 for twenty shares of the common capital stock of this corporation, claimed by the said Charles F. Stoddard to have been lost or stolen.

RESOLVED FURTHER, That the new certificate shall not be issued until the said Charles F. Stoddard has filed with the corporation proper sworn affidavit supporting the claim of loss and open penalty indemnity bond guaranteeing to hold harmless American Zinc, Lead and Smelting Company, Transfer Agent, and The Commercial National Bank and Trust Company of New York, Registrar.

Mr. Young informed the directors that it was desirable to purchase approximately twenty acres of the surface rights on the land of R. A. Mullins (Butler Tract) for mining purposes. We recently purchased the mineral rights of this tract.

Upon motion regularly made and seconded, the following resolution was unanimously adopted:

RESOLVED, That the board of directors of this corporation hereby recommends to the board of directors of American Zinc Company of Tennessee that they authorize or ratify purchase of the surface rights of approximately twenty acres from R. A. Mullins (Butler Tract), located in Knox County, Tennessee, for a consideration not to exceed \$2,500.

Mr. Young stated to the board that he had under consideration the building of a custom mill in the State of Colorado for the treatment of zinc-lead ores. He further stated that if after further study this plan is desirable, he would present full details and recommendation to the board for their consideration.

Mr. Young stated to the board it would be absolutely necessary that the retort method of smelting used at Fairmont City be discontinued in the near future and replaced with a better method. This action will be necessary due to the fact that two of the present retort furnaces have been in operation from eighteen to twenty years and are practically worn out, and that the retort method involves the use of a large number of men, and this labor must be eliminated because of increased labor

AUTHORIZATION
OF ISSUING
COMMON STOCK
CERTIFICATES CONTINUED

PURCHASE OF 20 ACRES SURFACE RIGHTS, R. A. MULLINS (BUTLER TRACT) KMOX COUNTY, TENNESSEE

BUILDING OF CUSTON MILL, STATE OF COLORADO

REPORT ON RESEARCH & DEVELOPMENT STAB ZINC Other Instructions

Copy Page Range: Other Instructions

(Sheet B)

RESOLVED, That the proper officers of this corporation are hereby authorized to issue and The Commercial National Bank and Trust Company of New York, Registrar, is hereby authorized to register in the name of Alfred William Dickinson, a certificate for ten shares of the common capital stock of this corporation to take the place of Certificate No. CO-35183 for ten shares of the common capital stock of this corporation, claimed by the said Alfred William Dickinson to have been lost or destroyed.

RESOLVED FURTHER, That the new certificate shall not be issued until the said Alfred William Dickinson has filed with the corporation properly sworn affidavit supporting the claim of loss and open penalty indemnity bond, guaranteeing to hold harmless American Zinc, Lead and Smelting Company, Transfer Agent, and The Commercial National Bank and Trust Company of New York, Registrar.

Mr. Young reported to the committee that it was necessary to secure license to do business in the State of Colorado.

On motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, That the proper officers of this corporation are hereby authorized and instructed to take all necessary steps to qualify it to do business in the State of Colorado, and to execute in the name of the corporation all necessary documents required by the State of Colorado for such purpose.

RESOLVED FURTHER, That the C. T. Corporation System be and they hereby are appointed agents of this corporation in charge of its resident office, upon whom process against this corporation may be served in accordance with the laws of the State of Colorado.

Mr. Young reported on the acquisition of property in Colorado and recommendations covering drilling, development and mining in the Ouray District, Colorado. He further recommended the purchase of a concentrating plant from the General Ore Reduction Company in that district for the total sum of \$40,000.00.

Upon motion regularly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, That the officers of this corporation are hereby authorized to enter into an agreement with the General Ore Reduction Company for the purchase of a concentrating mill located in Ouray County, Colorado, for the sum of \$40,000.00, payable \$12,000.00 in cash and \$28,000.00 balance over a period of twenty-four months.

REPLACEMENT OF LOST OR STOLEN COMMON STOCK CERTIFICATES, ALFRED WILLIAM DICKINSON

QUALIFICATION FOR DOING BUSINESS IN THE STATE OF COLORADO

AUTHORIZATION TO PURCHASE CONCEN-TRATING MILL OURAY COUNTY, COLOBADO

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AMERICAN ZINC, LEAD AND SMELTING COMPANY
Minutes of the Meeting of the Executive Committee
of the Board of Directors
June 18, 1946

(Sheet C)

RESOLVED FURTHER, That the proper officers of this corporation are hereby instructed and directed to make, execute and deliver said agreement and to do and perform all necessary acts and to make, execute and deliver all necessary papers to carry the agreement herein authorized into full force and effect.

AUTHORIZATION TO PURCHASE CONCEN-TRATING MILL OURAY COUNTY, COLORADO, CONTINUED

Mr. Young stated that Harry Hood, an employee of the Monsanto, Illinois plant, desired a loan in order to purchase a home and he recommended that this employee be accommodated.

On motion duly made and seconded, the following resolution was unanimously adopted:

RECOMMENDATION OF LOAN TO HARRY HOOD

RESOLVED, That the proper officers of this corporation are hereby authorized to make a loan to Harry Hood, Monsanto, Illinois, not to exceed \$1,000. This loan to be made under such terms and conditions as may be authorized by the president.

Mr. Young reported on the surrender by J. Marshall Thompson, DeSoto, Missouri, of his lease and option, dated May 7, 1945, on our Morgan County lands.

Mr. Young also reported on Labor, Operations and Sales.

There being no further business to come before the meeting, on motion regularly made and seconded, it was unanimously voted to adjourn.

SURRENDER OF LEASE & OPTION BY J. MARSHALL THOMPSON, DESOTO, MISSOURI

MISCELLANEOUS REPORTS

ADJOURNMENT

Secretary Pro Tempore

AMERICAN ZINC, LEAD AND SMELTING COMPANY Minutes of the Meeting of the Board of Directors July 16, 1946

(Sheet B)

Smelting Company, Transfer Agent, and The Commercial National Bank and Trust Company of New York, Registrar.

Mr. Young reported that it was necessary to establish a payroll account at Ouray, Colorado, for the Colorado operations.

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Upon motion regularly made and seconded, the following resolution was unanimously adopted:

RESOLVED, That the proper officers of this corporation establish a "Payroll Account" in the Citizens State Bank, Ouray, Colorado, and any one of the following signatures is hereby authorized on checks drawn on this account:

W. N. Payne

C. V. Burns

W. J. Matthews. Jr.

W. E. Wampler

R. H. Wilhelm

Upon motion regularly made and seconded, the following resolution was unanimously adopted:

RESOLVED, That this corporation recommends to the board of directors of the American Zinc Company of Illinois that they authorize the signature of J. F. Teter in addition to the signatures already authorized on "American Zinc Company of Illinois - Payroll Account" in the Hillsboro National Bank, Hillsboro, Illinois.

Mr. Young recommended the approval by the American Zinc Company of Illinois of the purchase of a crawler crane and clamshell bucket at the Dumas, Texas plant, to be charged to capital account.

Upon motion regularly made and seconded, the following resolution was unanimously adopted:

RESOLVED, That the board of directors of this corporation recommend to the board of directors of American Zinc Company of Illinois that they ratify or approve capital expenditure, Estimate No. E-121-46, covering crawler crane and clamshell bucket for the Dumas, Texas operation, in the amount of \$13,500.00.

Mr. Young recommended that the American Limestone Company be authorized to capitalize property purchase and equipment purchased in the rehabilitation of the Strawberry Plains Quarry at Mascot, Tennessee.

Upon motion regularly made and seconded, the following resolution was unanimously adopted:

RESOLVED, That the board of directors of this corporation recommend to the board of directors of American Limestone Company that they approve as a capital expenditure the purchase of

AUTHORIZATION
OF PAYROLL ACCOUNT,
OURAY, COLORADO,
AND SIGNATURES

AUTHORIZATION OF SIGNATURE ON PAYROLL ACCOUNT, HILLSBORO, ILLINOIS

APPROVAL OF CAPITAL EXPENDI-TURES, DUMAS, TEXAS PLANT

CAPITAL EXPENDI-TURE - PURCHASE OF STRAWBERRY PLAINS QUARRY

AMENDA SANGERANGA MENANGERANGA MENGANA

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(Sheet B)

Capital Expenditure

Estimate No. 335 - Rotary Refinery No. 2 - as standby - for present rotary, \$55,859.00

Depreciation Reserve Expenditure

Estimate No. 336 - Replace present incline screw conveyor from bag house to refinery, \$19,243.00

The next order of business was the consideration of Prior Preferred Dividend No. 34 of \$1.25 per share, and Common Dividend No. 23 of \$.10 per share.

Upon motion regularly made and duly seconded, it was unanimously

RESOLVED, That there be and hereby is declared from the earned surplus of the corporation a quarterly cash dividend of \$1.25 per share on the Prior Preferred Stock of the corporation for the calendar quarter ended June 30, 1947, payable August 1, 1947, to stockholders of record at the close of business on July 11, 1947, and the treasurer is hereby directed and authorized to cause the same to be paid on the date specified.

Upon motion, duly seconded, it was unanimously

RESOLVED, That a cash dividend of 10¢ per share on the Common Stock of this corporation is hereby declared payable out of the earned surplus of this corporation on August 1, 1947, to holders of common stock of record at the close of business on June 13, 1947, and the treasurer is hereby authorized and directed to cause the same to be paid on the date specified.

Mr. Young requested the board to authorize the signature of Mr. Marvin L. Kay on our payroll account in The Citizens State Bank, Ouray, Colorado.

Upon motion duly seconded, the following resolution was unanimously adopted:

RESOLVED, That the signature of Marvin L. Kay is hereby authorized in addition to the signatures already authorized on "American Zinc, Lead and Smelting Company - Payroll Account", carried in The Citizens State Bank, Ouray, Colorado.

Mr. Young reported to the board on the heavy media separation license to Algoma Ore Properties, Ltd.

Mr. Young and Mr. Seymour reported that the United States Court of Appeals had unanimously denied the plaintiff in the Hebbard suit against American Zinc, Lead and Smelting Company, Minerals Beneficiation, Inc., and Victor Rakowsky. In this suit Hebbard was

CAPITAL AND DEPRECIATION RESERVE EXPENDITURES CONTINUED

DECLARED
DIVIDEND
PRIOR PREFERRED
STOCK

DECLARED DIVIDEND COMMON STOCK

ADDITIONAL
SIGNATURE
PAYROLL ACCOUNT,
OURAY, COLORADO

MISCELLANEOUS REPORTS BY THE PRESIDENT

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AMERICAN ZINC, LEAD AND SHELTING COMPANY Winutes of the Meeting of the Board of Directors December 13, 1948

(Sheet F)

Fr. Young discussed with the directors the payment of additional compensation to staff employees of this corporation and subsidiary companies for the calendar year 1948. Thereupon, on motion, regularly made and seconded, the following resolution was unanimously adopted:

RESOLVED, That the board of directors of this corporation authorize the proper officers to make payment to the staff employees of this corporation and subsidiary companies additional compensation for the calendar year ending December 31, 1948 in amounts deemed by the president to be equitable for services rendered during the year. The amount to be thus expended by him not to exceed \$65,000.00 and in addition, the sum of \$14,000.00 to be paid to the president as additional compensation for services rendered during the calendar year ending December 31, 1943.

ADDITIONAL
COMPENSATION
FOR STAFF
EMPLOYEES

Mr. Young reported on the Colorado development situation and in view of the development possibilities on certain properties under lease and option by the company, recommended that development work be continued into 1949, which program was approved.

COLORADO DEVELOPMENT SITUATION

There being no further business to come before the meeting, upon motion regularly made and seconded, it was unanimously voted to adjourn.

ADJOURNMENT

Secretary Secretary

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(Sheet D)

H. I. Young W. J. Matthews, Jr. C. V. Burns

R. K. Wall K. M. Hays John J. Inman W. F. Netzeband

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President Secretary & Treasurer Assistant Secretary & Assistant Treasurer Assistant Secretary Assistant Treasurer District Manager Cashier

PAYROLL ACCOUNT carried in the Joplin National Bank & Trust Company Joplin, Missouri

RESOLVED, That all previous authorizations relating to signatures on checks, drafts, or orders for the payment of money from the PAYROLL ACCOUNT of this corporation are hereby cancelled effective as of June 14, 1949.

RESOLVED FURTHER, That effective as of June 14, 1949 and until further action by the Board of Directors or the Executive Committee of this corporation, all checks, drafts, or orders for the payment of money from the PAYROLL ACCOUNT of this corporation shall be signed by any one of the following persons:

H. I. Young W. J. Matthews, Jr. C. V. Burns

R. K. Wall K. M. Hays

John J. Inman W. F. Netzeband

President Secretary & Treasurer Assistant Secretary & Assistant Treasurer Assistant Secretary Assistant Treasurer District Manager Cashier

Mr. Young stated that it was necessary to change the authorized signatures on the "Payroll Account" of this corporation carried in The Citizens State Bank of Ouray, Ouray, Colorado, effective as of June 14, 1949. Thereupon, on motion regularly made and seconded, the following resolution was unanimously adopted:

> RESOLVED, That all previous authorizations relating to signatures on checks, drafts, or orders for the payment of money from the PAYROLL ACCOUNT of this corporation, carried in The Citizens State Bank of Ouray, Ouray, Colorado, are hereby cancelled effective as of June 14, 1949.

RESOLVED FURTHER, That effective as of June 14, 1949 and until further action by the Board of Directors or the Executive Committee of this corporation, all checks, drafts, or orders for the payment of money from the PAYROLL ACCOUNT of this corporation shall be signed by any one of the following persons:

H. I. Young W. J. Matthews, Jr. C. V. Burns

R. K. Wall

K. M. Hays W. E. Wampler, Jr.

M. L. Kay

President Secretary & Treasurer Assistant Secretary & Assistant Treasurer Assistant Secretary Assistant Treasurer Cashier General Superintendent

CANCELLATION AND AUTHORIZA-TION OF SIGNA-TURES ON BANK ACCOUNTS - CON-TINUED

(Sheet C)

destroyed by fire on March 11, 1949. Thereupon, on motion regularly made and seconded, the following resolution was adopted:

RESOLVED, That the board of directors of this corporation hereby recommends to the board of directors of the American Zinc Company of Tennessee that it approve or ratify a capital expenditure of approximately \$2,500.00 representing the cost of improvements made in rebuilding the farm dairy house at Mascot, Tennessee, that was destroyed by fire on March 11, 1949.

APPROVAL OF CAPITAL EXPENDITURE MASCOT, TENNESSEE

Mr. Young reported on the labor situation at the various operations of the company. He also reported on sales and operations.

Mr. Young reported on earnings for the month of September and for the nine months ending September 30, 1949.

Mr. Young reported on his inspection visit to the company's operations at Metaline Falls, Washington, and Ouray, Colorado, during September and October, 1949.

MISCELLANEOUS REPORTS BY THE PRESIDENT

Mr. Young reported that a contract with the Bureau of Federal Supply for treating 32,325 tons of zinc concentrates at the Fairmont City, Illinois plant, had been closed.

There being no further business to come before the meeting, upon motion regularly made and seconded, it was voted to adjourn.

ADJOURNMENT

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(Sheet F)

The president sated that Francis P. O'Donnell had reported that Certificate No. C35638 issued in his name for one hundred (100) shares of common stock of the corporation had been lost or mislaid, and that he had requested that a replacement certificate be issued. Thereupon, on motion regularly made and seconded, the following resolution was adopted:

RESOLVED, That the proper officers of this corporation are hereby authorized to issue, and The Commercial National Bank and Trust Company of New York, Registrar, is hereby authorized to register in the name of Francis P. O'Donnell a certificate for one hundred (100) shares of common capital stock of this corporation, to take the place of Certificate No. C35638, dated June 28, 1945, for one hundred (100) shares of common capital stock of this corporation issued in the name of Francis P. O'Donnell, which he reported had been lost or mislaid.

RESOLVED FURTHER, That the new certificate shall not be issued until the said Francis P. O'Donnell has filed with the corporation proper sworn affidavit supporting the claim of loss and open penalty indemnity bond guaranteeing to hold harmless American Zinc, Lead and Smelting Company, Transfer Agent, and The Commercial National Bank and Trust Company of New York, Registrar.

The president reported that there was a possibility that a sale could be arranged for the custom mill at Ouray, Colorado, at an estimated price of approximately \$300,000. He stated that it would be necessary to pay a commission of 5% to the person who handled the sale and that it was advisable that the officers of the corporation be authorized to give an option on the Ouray mill for such consideration as could be agreed upon. Thereupon, on motion regularly made and seconded, the following resolution was adopted:

RESOLVED, That the board of directors of this corporation hereby authorizes the proper officers of the corporation to execute an option for the sale of the Ouray, Colorado, Custom mill for such consideration and upon such other terms as the president of the corporation shall determine.

RESOLVED FURTHER, That the president of the corporation is authorized to pay a commission of 5% to the person who arranges said sale in the event a sale of said custom mill is consummated.

The president recommended that an attempt be made to dispose of the low grade mineral properties of the corporation located in Jasper County, Missouri, and this recommendation was unanimously approved by the directors.

AUTHORIZATION
OF REPLACEMENT
CERTIFICATE OF
FRANCIS P. O'DONNELL FOR 100
SHARES COMMON
STOCK

AUTHORIZATION TO SELL MILL AT OURAY, COLORADO

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(Sheet D)

RESOLVED, That the Mercantile Trust Company, St. Louis, Missouri, be and hereby is authorized as a depositary of the funds of this company.

The president requested changes in signature authorization on the General Account and Payroll Account carried in the Joplin National Bank and Trust Company, Joplin, Missouri, effective as of September 18, 1951. Thereupon, on motion regularly made and seconded, the following resolution was adopted:

> RESOLVED, That all previous authorizations relating to signatures on checks, drafts or orders for the payment of money from the GENERAL ACCOUNT and the PAYROLL ACCOUNT of this corporation, carried in the Joplin National Bank and Trust Company, Joplin, Missouri, are hereby cancelled effective as of September 18, 1951;

> RESOLVED FURTHER, That effective as of September 18, 1951, and until further action by the board of directors or the executive committee of this corporation, all checks, drafts or orders for the payment of money from the GENERAL ACCOUNT and the PAYROLL ACCOUNT of this corporation, carried in the Joplin National Bank and Trust Company, Joplin, Missouri, shall be signed by any one of the following persons:

> > H. I. Young President W. J. Matthews, Jr. Secretary and Treasurer C. V. Burns Assistant Secretary & Assistant Treasurer R. K. Wall Assistant Secretary Assistant Treasurer K. M. Hays John J. Inman W. F. Netzeband Harold Michel District Manager

Engineer Cashier

The president also requested authority for a change in the authorized signatures on the Payroll Account carried in The Citizens State Bank of Ouray, Ouray, Colorado. Thereupon, on motion regularly made and seconded, the following resolution was adopted:

> RESOLVED, That all previous authorizations relating to the signatures on checks, drafts or orders for the payment of money from the PAYROLL ACCOUNT of this corporation, carried in The Citizens State Bank of Ouray, Ouray, Colorado, are hereby canceled effective as of September 10, 1951.

RESOLVED FURTHER, That until further action by the board of directors or the executive committee of this corporation, all checks, drafts or orders for the payment of money from the PAYROLL ACCOUNT of this corporation, carried in The Citizens State Bank of Ouray, Ouray, Colorado, shall be signed by any one of the following persons, on and after the dates specified:

AUTHORIZE SIGNATURES GENERAL AND PAYROLL ACCOUNT JOPLIN NATIONAL BANK AND TRUST COMPANY

AUTHORIDE AVENUATION OF OURAL

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(Sheet E)

Effective as of September 10, 1951

H. I. Young

President

W. J. Matthews, Jr. Secretary and Treasurer C. V. Burns Assistant Secretary & Assistant Treasurer

R. K. Wall K. M. Hays W. C. Klein

Assistant Secretary Assistant Treasurer Assistant Superintendent

AUTHOFIZE SIGNATURES,
PAYROLL ACCOUNT,
THE CITIZENS THE CITIZENS STATE BANK OF OURAY, CONTINUED

Effective as of September 10, 1951 To and Including September 20, 1951

M. L. Kay

General Superintendent

Effective as of September 10, 1951 To and Including September 30, 1951

W. F. Netzeband

Acting Superintendent

Effective as of September 24, 1951

H. L. Miller

Superintendent:

The president requested approval of the following capital and/or depreciation reserve expenditures. Thereupon, on motion regularly made and seconded, the following resolutions were adopted:

> RESOLVED, That the board of directors of this corporation hereby recommends to the board of directors of American Zinc Company of Illinois that it approve the following capital expenditures:

> > Estimate 51-59, dated August 23, 1951, for \$7,480, covering purchase and installation of a new micro-mill pulverizer in the west side of the packing house at Hillsboro, Illinois.

Estimate 51-61, dated August 27, 1951, for \$33,437, covering construction of a storage building and spur railroad track to accommodate new cadmium, zinc carbonate, and germanium departments at Fairmont City, Illinois.

Estimate 51-64, dated September 17, 1951, for \$102,988, covering construction of facilities for producing germanium at Fairmont City, Illinois.

Estimate 322-51, dated August 24, 1951, for \$24,261, covering the cost of a new water well and pipe line to connect to plant water supply system of the Dumas, Texas plant.

RESOLVED FURTHER, That the board of directors of this corporation hereby recommends to the board of directors of American Limestone Company that it approve the following capital expenditures:

Estimate 918, dated July 20, 1951, for \$2,934, covering purchase of a quonset hut for shop at the Holston Quarry.

Estimate 930, dated August 22, 1951, for \$13,300, covering purchase and installation of Hammer Mill at the Holston Quarry.

CAPITAL EXPENDI-TURES FAIRMONT CITY, HILLSBORO, AND DUMAS

CAPITAL EXPENDI-TURES, AMERICAN LIMESTONE COMPANY

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(Sheet B)

The president stated that the next order of business was the nomination of a clerk of the corporation to be elected for a term of one year, at the annual meeting of the stockholders to be held on May 14, 1952. Thereupon, upon motion regularly made and seconded, the following resolution was adopted:

NOMINATION OF CLERK OF CORPORATION

RESOLVED, That Mr. H. P. Sweetser be and he hereby is nominated as clerk of this corporation for a term of one year, such nomination to be submitted on behalf of the management at the annual meeting of the stockholders of this corporation to be held in Portland, Maine, on May 14, 1952.

The president reported that the following license had been issued for the use of the Heavy-Media Separation Process:

Clearfield Bituminous Coal Corporation, Winburne, Pennsylvania, for the treatment of bituminous coal at a royalty of \$10.00 per day or fraction thereof or 1¢ per ton of cleaned coal produced.

HEAVY-MEDIA SEPARATION PROCES LICENSES

The president stated that it was desirable to open an account in The Southern Illinois National Bank, East St. Louis, Illinois, to be used by the Fairmont City, Illinois, office as a salary payroll account, to be designated as "Special Account No. 1", and requested that this be ratified and approved. Thereupon, upon motion regularly made and seconded, the following resolution was adopted:

THE SOUTHERN
ILLINOIS NATIONAL
BANK, EAST ST.
LOUIS, ILLINOIS,
AMERICAN ZINC
COMPANY OF ILLINOIS - SPECIAL
ACCOUNT NO. 1

RESOLVED, That the board of directors of this corporation hereby recommends to the board of directors of American Zinc Company of Illinois, that it ratify and approve the opening of an account in The Southern Illinois National Bank, East St. Louis, Illinois, to be designated as AMERICAN ZINC COMPANY OF ILLINOIS - SPECIAL ACCOUNT NO. 1, and that the following persons be authorized to sign checks, drafts or orders for the payment of money from this account, two manual signatures being required:

H. I. Young President W. J. Matthews, Jr. Secretary & Treasurer C. V. Burns Asst. Secy. & Asst. Treas. R. K. Wall Assistant Secretary K. M. Hays Assistant Treasurer G. L. Spencer, Jr. General Superintendent C. F. Lane Asst. General Superintendent F. A. Burke Plant Auditor B. C. Millice Cashier

The president requested authority for changes in the authorized signatures on the payroll account carried in The Citizens State Bank of Ouray, Ouray, Colorado. Thereupon, upon motion regularly made and seconded, the following resolution was adopted:

SIGNATURE AUTHORD ZATIONS, PAYROLL ACCOUNT, CITIZENS STATE BANK OF OURAY

RESOLVED, That all previous authorizations relating to signatures on checks, drafts or orders for the payment of money from the PAYROLL ACCOUNT of this corporation carried in The Citizens State Bank of Ouray, Ouray, Colorado, are hereby canceled, effective as of February 1, 1952.

(Sheet C)

RESOLVED FURTHER, That until further action by the board of directors or the executive committee of this corporation, all checks, drafts or orders for the payment of money from the PAYROLL ACCOUNT of this corporation carried in The Citizens State Bank of Ouray, Ouray, Colorado, shall be signed by any one of the following persons, effective as of February 1, 1952:

SIGNATURE AUTHORI-ZATIONS, PAYROLL ACCOUNT, CITIZENS STATE BANK OF OURAY (CONTINUED)

H. I. Young President

W. J. Matthews, Jr. Secretary and Treasurer C. V. Burns Asst. Secy. & Asst. Treas.

R. K. Wall

K. M. Hays

Assistant Secretary

Assistant Treasurer

Acting Superintendent

Ramona Honstein

The president requested approval of a capital expenditure at Hillsboro, Illinois. Thereupon, upon motion regularly made and seconded, the following resolution was adopted:

CAPITAL EXPENDI-TURE, HILLSBORO, ILLINOIS, MECHANI-CAL MIXER

RESOLVED, That the board of directors of this corporation hereby recommends to the board of directors of American Zinc Company of Illinois, that it approve the following capital expenditure:

Estimate 51-72, dated November 28, 1951, for \$13,536, covering installation of a mechanical mixer in the No. 2 mixroom, Oxide Division, at Hillsboro, Illinois.

The president then discussed with the directors the most desirable method for handling expenditures for new mine development. He stated that under provisions contained in the 1951 Revenue Act such expenditures can either be charged to expense in the year of expenditure or deferred and written off over the period the orebody benefited by such expenditures is mined. He recommended that we charge such expenditures to expense in the year made. After discussion, the members of the board of directors present at the meeting approved the recommendation of the president, and recommended similar handling by the affected subsidiary companies.

METHOD FOR HAND-LING EXPENDITURES FOR NEW MINE DE-VELOPMENT

The president stated that it was necessary to secure additional space in the Paul Brown Building, St. Louis, Missouri, for the use of the St. Louis office. He also stated that there would be some space available within the next few months and requested authority to rent such additional space as is necessary. Thereupon, upon motion regularly made and seconded, the following resolution was adopted:

ADDITIONAL SPACE IN PAUL BROWN BUILDING

RESOLVED, That the proper officers of this corporation be and they hereby are authorized to make such arrangements as are necessary for additional office space in the Paul Brown Building in St. Louis, Missouri.

(Sheets A to E, Inclusive)

(Sheet A)

A meeting of the board of directors of American Zinc, Lead and Smelting Company was held at the Biltmore Hotel, Madison Avenue at 43rd Street, New York, N. Y., on October 23, 1952, at 1:00 P.M., Eastern Standard Time, pursuant to a call by the president and upon notice duly . given to all members of the board by the secretary.

TIME, DATE. PLACE

The following members of the board of directors, being a majority and constituting a quorum, were present:

PRESENT

Messrs. Bailey, Breining, Cumberland, Egan, Emmons, Hamlin, Marshall, Martin, Vanneck and Young.

Mr. Young, the president, presided, and Mr. Matthews, the secretary. CHAIRMAN, recorded the proceedings thereof.

SECRETARY

Prior to the formal meeting, a moving picture was shown of the mechanized mining that has been developed in the Grandview Mine by our company at Metaline Falls, Washington.

The president also had for display a pin map showing the drilling on all the properties located in Jefferson County, Tennessee. This gave a good picture of the number of ore holes that have been drilled at South Friends Station and other sections, as well as information as to the period in which the major part of the mineral purchase options expire, and a good picture of the present indicated prebody. After a discussion on these items, the formal meeting was convened.

PEPORT ON INFORMAL MEETING HELD PRIOR TO REGULAR MEETING

Copies of the minutes of the meeting of the board of directors held on September 18, 1952, having previously been submitted to all of the directors, such minutes were, upon motion regularly made and seconded, unanimously approved.

APPROVAL OF MINUTES

The president stated that on September 27, 1952 he had written a lettor to all members of the executive committee recommending the following program for the liquidation of the Ouray, Colorado, operations, the liquidation to be completed, if possible, by the end of 1952:

- That we cancel all custom mill contracts within the period set forth in the agreement. (This is normally 30 - 60 days.)
- 2. That we cancel all mining leases and options.
- That we dispose of all claims owned in fee.
- That, if possible, we sell the concentrating plant in its present condition, with the understanding that it will be removed from the property within six months time.

OUTLINE AND AP-PROVAL OF PROGRAM FOR LIQUIDATION OF OUPAY OPERATIONS

(Sheet B)

He also stated that all members of the executive committee had signified their approval of this liquidation program by signing and returning to him a copy of the letter, and requested that the board ratify and approve the action of the executive committee. Thereupon, upon motion regularly made and seconded, the following resolution was adopted:

CUTLINE AND AP-FROVAL OF PROSTAL FOR LIQUIDATION OF OUTAY OPERA-TIONS

HEAVY-MEDIA

SEPARATION

LICENSES

PESOLVED, That the board of directors of this corporation hereby ratifies and approves the action of the executive committee in approving the program for the liquidation of the Ouray, Colorado, operations, as outlined in a letter from the president, dated September 27, 1952, addressed to all members of the executive committee.

The president reported that the following licenses had been issued for the use of the Heavy-Media Separation Process:

Beaverbrook Coal Company (a partnership). McAdoo, Pennsylvania, for the treatment of anthracite coal, at a royalty of \$10 per day or fraction thereof, or 2ϕ per ton of cleaned coal produced.

National Lead Company, Ballard Operation, Eaxter Springs, Kansas, for the treatment of lead - zinc ores, at a royalty of \$10 per day or fraction thereof, or 5¢ per ton or original mill feed.

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St. Lawrence Corporation of Newfoundland, Ltd., St. Lawrence, Newfoundland, Canada, for the treatment of fluorspar ores, at a royalty of \$10 per day or fraction thereof, or 25ϕ , United States Funds, per ton of fluorspar concentrates produced.

The president stated that we had been requested to execute a pole line agreement covering a pole line right-of-way, to The Empire District Electric Company, across a part of our lands northwest of Joplin in Jasper County, Missouri, and requested that the execution of this pole line agreement be approved. Thereupon, upon motion regularly made and seconded, the following resolution was adopted:

RESOLVED, That the board of directors of this corporation hereby authorizes the proper officers to execute a pole line agreement with The Empire District Electric Company, for a pole line right-of-way across a portion of the lands of this corporation situated northwest of Joplin in Jasper County, Missouri, in form approved by counsel.

The president stated that it had been found desirable to open an account in the Mercantile Trust Company, St. Louis, Missouri, effective as of October 21, 1952, to be designated as "American Zinc, Lead and Smelting Company - Oronogo Mill Insurance 'ccount", and requested that this be ratified and approved. Thereupon, upon motion regularly made and seconded, the following resolution was adopted:

POLE LINE AGREE-MENT TO THE EMPIRE DISTRICT ELECTRIC COMPANI JASPER COUNTY, MISSOUPI

AUTHORIZED SIGNATURES - MERCANTI TRUST COMPANY, AMERICAN ZINC, I AND SMELTING COL PANY - OR ON OGO I INSURANCE ACCOUNT

5/10//10/18/19/5/5

(Sheet B)

RESOLVED FURTHER, That, effective as of June 1, 1955, and until further action by the board of directors of this corporation, all checks, drafts or orders for the payment of money from the PAYROLL ACCOUNT of this corporation carried in the Seattle-First National Bank, Spokane and Eastern Branch, Spokane, Washington, shall be signed manually by any two of the following persons:

AUTHORIZED SIGNA-TURES-PAYROLL ACCOUNT - SEATTLE-FIRST NAT'L. BANK, SPOKANE & EASTERN BRANCH, SPOKANE, WASH. (CONTINUED)

H. I. Young President W. J. Matthews, Jr. Secretary and Treasurer C. V. Burns R. K. Wall Asst. Secy. & Asst. Treas. Assistant Secretary D. I. Hayes Western Manager R. F. Tharp Cashier General Superintendent J. W. Currie C. L. Sage Mine Superintendent D. A. Underwood Mill Superintendent Timekeeper M. W. Ricker

The president stated that we had been requested to issue new certificates to Mrs. Alma C. Stifel for 1,000 shares of common stock to replace certificates Nos. C61390 to C61399, inclusive, for 100 shares each, totaling 1,000 shares of common stock issued November 28, 1951, which have been reported as lost or destroyed. Thereupon, upon motion regularly made and seconded, the following resolution was unanimously adopted:

REPLACEMENT CERTIFICATES FOR MRS. ALMA C. STIFEL

RESOLVED, That the proper officers of this corporation are hereby authorized to issue and the Bankers Trust Company, Registrar, is hereby authorized to register in the name of Mrs. Alma C. Stifel certificates for 1,000 shares of the common capital stock of this corporation to take the place of certificates Nos. C61390 to C61399, inclusive, dated November 28, 1951, for 1,000 shares of the common capital stock of this corporation issued in the name of Mrs. Alma C. Stifel, which have been reported as lost or destroyed.

RESOLVED FURTHER, That the new certificates shall not be issued until the said Mrs. Alma C. Stifel has filed with the corporation proper sworn affidavit supporting the claim of loss and open penalty indemnity bond, guaranteeing to hold harmless American Zinc, Lead and Smelting Company, transfer agent, and the Bankers Trust Company, Registrar.

The president stated that the next order of business was the ratification and approval of the execution of Option and Conditional Sales Agreement, dated June 1, 1955, covering the sale of the Ouray mill and mill site. He further stated that this had been approved by telegraphic advice from all members of the executive committee on May 31, 1955. After discussion, and upon motion regularly made and seconded, the following resolution was adopted:

SALE OF OURAY MILL AND MILL SITE

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AMERICAN ZINC, LEAD AND SMELTING COMPANY Minutes of the Meeting of the Board of Directors June 21, 1955

37

(Sheet C)

RESOLVED, That the action of the officers of this corporation in executing an Option and Conditional Sales Agreement dated June 1, 1955 with Magic Uranium Company, Inc., covering the sale of the Ouray Mill and Mill Site for a total price of \$75,000, payable in accordance with the terms set forth in the agreement, is hereby ratified and approved.

SALE OF OURAY MILL AND MILL SITE (CONTINUED)

The president stated that the next order of business was the consideration of the recommendation of the management for the acquisition of the Vinegar Hill mining and milling properties in Wisconsin which are owned by the Youngstown Sheet and Tube Company, as explained in detail in his memorandum dated June 16, 1955 which was sent to all the directors. After discussion, and upon motion regularly made and seconded, and by the affirmative vote of all the directors of the corporation present at the meeting, the following resolution was adopted:

ACQUISITION OF VINEGAR HILL MINING AND MILLING PROPERTIES IN WISCONSIN

RESOLVED, That the board of directors of this corporation hereby approves the acquisition of the Vinegar Hill mining and milling properties in Wisconsin which are owned by the Youngstown Sheet and Tube Company.

The president requested approval of capital expenditures at Monsanto and Fairmont City, Illinois. After discussion, and upon motion regularly made and seconded, the following resolution was adopted:

RESOLVED, That the board of directors of this corporation hereby recommends to the board of directors of American Zinc Company of Illinois, that it approve the following capital expenditures:

Estimate 55-20, dated May 16, 1955, for \$8,000, covering the pulling of casing of No. 5 deep well, drilling for 36" well, and gravel packing; also, purchase of new pump and connecting to water system circuit in the electrolytic division at Monsanto, Illinois.

Estimate 55-23, dated June 10, 1955, for \$13,915, covering installation of a bulk soda ash storage system at the zinc carbonate plant at Fairmont City, Illinois.

The president requested approval of a capital expenditure at Columbus, Ohio. After discussion, and upon motion regularly made and seconded, the following resolution was adopted:

RESOLVED, That the board of directors of this corporation hereby recommends to the board of directors of American Zinc Oxide Company, that it approve the following capital expenditure:

Estimate 541, dated May 17, 1955, for \$80,270, covering pelletizing building and equipment in the oxide department at Columbus, Ohio.

CAPITAL EXPENDI-TURES - MONSANTO AND FAIRMONT CITY, ILLINOIS

CAPITAL EXPENDITURE -COLUMBUS, OHIO

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